

## Definition of separately used or inhabited part of a rating unit

A fixed amount charged to each separately used or inhabited part of a rating unit.

A separately used or inhabited part of a rating unit (SUIP) includes any part of a rating unit used for a different purpose or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

Interpretation rules that form part of the definition of 'separately used or inhabited part':

- a. Each separate shop or business activity on a rating unit is a separate use. (See Guidance Note 1).
- b. Each dwelling, flat, or additional rentable unit (attached or not attached) on a residential property which is let (or capable of being let) for a substantial part of the year to persons other than immediate family members is a separately inhabited part of a property. (See Guidance Note 2.)
- c. Each residential rating unit which has, in addition to a family dwelling unit, one or more non-residential uses (i.e. home occupation units) will be considered a SUIP. (See Guidance Note 3.)
- d. Each non-residential activity which has, in addition to its business or commercial function, co-sited residential units which are not a prerequisite part of the business or commercial function, will be considered a SUIP. (See Guidance Note 4.)
- e. Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land are SUIPs. (See Guidance Note 5.)
- f. Each title on a multiple-managed forestry holding (that is, where the forest is broken into several individual small titles) is a separately used part except when one or more titles are adjacent and under the same ownership, in which case the rules of contiguity apply.
- g. Each block of land for which a separate title has been issued is liable to pay a UAGC, even if that land is vacant. NOTE: Two or more adjacent blocks of vacant land are not eligible for remission under "contiguity" (S.20 of LG(R)A 02) because they are not "used for the same purpose" (i.e. they are not used at all).
- h. Each dwelling, flat, or additional rentable unit (attached or not attached) on a pastoral, horticultural or forestry property which is let (or capable of being let) for a substantial part of the year to persons other than immediate family members is a separately inhabited part of a property. (See Guidance Note 6.)
- i. A substantial part of the year is considered to be three months or more (this total period may be fragmented, and may occur at any part of the rating year).
- j. Each dwelling on a lifestyle block whether tenanted or not is considered a SUIP.

## Guidance notes

The following notes are not rules, but are intended to aid officers in the interpretation of the rules.

### 1. Commercial Properties

- A single building on one title with 24 separate 'shops' would have 24 SUIPs.
- A motel with an attached dwelling would have one SUIP. This is because the attached dwelling is essential to the running of the motel. This is similar to a pastoral property with one dwelling (See rule D above)
- A motel with an attached restaurant which is available to the wider public has two separately used parts and would have two SUIPs. Likewise, a motel with an attached conference facility would have an additional SUIP.
- A business which makes part of its income through leasing part of its space to semi-passive uses such as billboards, or money machines, is not regarded as having a SUIP.

### 2. Residential Properties

- Rating units containing more than one "flat" (as per the valuation record administered by Council's Valuation Service Provider, Quotable Value Limited) will in general be regarded as having more than one SUIP. Sleep-outs and granny flats will generally not be considered as additional SUIPs.
- If parts of a rating unit are used only for family members or for others for very short periods, the Council will not generally regard them as SUIPs (provided proof of their use, including a signed declaration from the property owner is provided). Evidence of actively advertisement of the flats for accommodation will generally mean that the Council considers the flat is a SUIP.

### 3. Residential with Non-Residential Part

- A residence with a separately accessible "office" (which may be used for surveyor, architect, or medical services) will be considered to have an additional SUIP. This is because it generates additional use of roads, services, planning resources and democratic processes.
- A residence with a "Home Occupation" (commonly called a "hobby business") will not generally be considered as having an additional SUIP unless the intensity of operation is high. For example, a resident who occasionally manufactures boat trailers in his garage on the weekends would not qualify, but someone who works for most of the week panel beating or painting, particularly if the activity is accompanied by advertising, would likely be considered as having an additional SUIP
- A residential property, part of which is used continually for storage of large industrial machinery, has an additional SUIP.

### 4. Non-Residential Activity with Co-sited Dwelling

- A fish and chip shop, with a separately used flat above which can be accessed without passing through the shop, has an additional SUIP.
- A dairy which has the operator's integral dwelling attached, would not be considered a SUIP because the home is an integral part of the operation of the dairy similar to a pastoral property or motel.
- Certain Government agencies, churches, marae, and the like are automatically rate exempt (except for service charges such as water and wastewater).

- They may be charged rates and additional UAGCs for each separately used or inhabited part of the rating unit, however, if these organisations undertake accommodation or business activities which are not related to their core function.

#### **5. Individually Tenanted Flats**

- Each flat, apartment, or retirement or disability home, and each property under a “licence to occupy”, is a separately used or inhabited part of a rating unit. This is regardless of the number of people who may be living in the unit.

#### **6. Pastoral Properties**

- Each dwelling, tenanted or untenanted, is a separately used or inhabited part of a rating unit.
- Shearer’s quarters that are untenanted, and used as a shearers quarters, will not be treated as a separately used or inhabited part of a rating unit. Shearer’s quarters which are tenanted will be a separately used or inhabited part of a rating unit .
- A pastoral property with one dwelling would only have one SUIP. This is because the attached dwelling is essential to the running of the pastoral property.
- Untenanted farm dwellings and cottages in addition to the main ‘farm house’ will be considered additional SUIPs.